

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION BY LAKE VILLAGE WATER)	
ASSOCIATION, INC., FOR A CERTIFICATE OF)	CASE NO.
CONVENIENCE AND NECESSITY FOR A)	98-402
FEDERALLY FUNDED CONSTRUCTION PROJECT)	

O R D E R

On August 14, 1998, Lake Village Water Association, Inc., ("Lake Village") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$293,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 26 additional customers. Project funding is a \$283,900 bond issue to be purchased pursuant to an agreement with the U.S. Department of Agriculture's Rural Development ("RD") and a \$9,100 contribution from the Applicant.

Lake Village's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on August 14, 1998, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Lake Village is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Lake Village's proposed plan of financing with RD is accepted.

3. Lake Village is authorized to issue bonds not to exceed \$283,900.

4. Lake Village shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Lake Village shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Lake Village shall take immediate action to bring the system into compliance with Commission regulations.

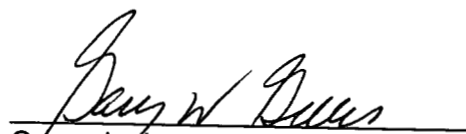
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 28th day of August, 1998.

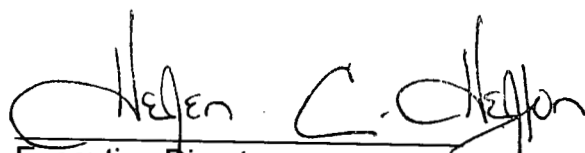
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director